

February 26, 2010

To: NRLN Grassroots Network Members
From: NRLN President Bill Kadereit
Subject: NRLN Update on 2010 Priorities

This is to provide NRLN Grassroots Network members with an update on key 2010 legislative issues and request your assistance in growing the number of members in the NRLN Grassroots Network database.

Pension Asset Protection:

A top priority for the NRLN is to prevent corporations from taking pension assets from defined pension plan trusts to pay for lump sum severance and early retirement incentives.

We have been successful in getting a provision in a House bill, H.R. 3936, the Preserve Benefits and Jobs Act, that would prevent so called "back door reversions." Grassroots Network members are emailing letters to their Representative and Senators and I've sent letters to House and Senate leaders requesting that when they address the demands by companies and unions for temporary pension funding relief, there should be a quid pro quo — change the law to STOP companies from robbing plan assets. It simply would not make sense for Congress to authorize a funding hiatus without simultaneously closing this "back door" misuse of pension funds. Please continue your support for this important effort.

Protect Social Security:

The Washington Post recently reported—although no government official has made a formal announcement—a Congressional Budget Office report shows that "Social Security will be \$28 billion in the hole this fiscal year, which ends Sept. 30, 2010."

Some members of Congress are trying to get Social Security reform on the table now. A couple of weeks ago a Texas Congressman stated in a network television interview that to help balance the federal budget Social Security should be privatized with defined contributions accounts and by cutting benefits for future retirees who are now under age 55. We immediately sent an Action Alert to the constituents of this Congressman and asked them to email the NRLN's sample letter to their elected representative to tell him they were astounded that he is advocating privatization after the 2008 meltdown of the stock market and the near collapse of American's banking system. Putting Social Security at risk is tantamount to courting economic ruin for millions of retirees.

The NRLN's letter reminded the Congressman the importance of the concept of the "three-legged stool" for retirement income security. The three legs are individual savings, employer-sponsored pensions and a financially solvent Social Security system. NRLN is keeping a close watch on any developments in Washington, DC that would be harmful to Social Security.

Safeguarding and Enhancing Medicare:

As you know, national health care reform legislation is currently in limbo. At the request of the NRLN, our Grassroots Network members emailed several thousands of our sample letters to members of Congress urging them not to reduce the funding of Medicare programs that are vital to America's retirees.

The NRLN is continuing to lobby for health care benefits that our members have told us they believe would be of great value to retirees. These include:

Maintenance of Cost Payment: The NRLN advocates a Maintenance of Cost Payment (MCP) proposal that would establish a fixed monthly payment to retirees equivalent to the value an employer provided prior to the reduction or cancellation of retirement health care, prescription drugs, life insurance, long-term care or other benefits. Companies would be entitled to tax credits as an offset to MCP payments.

Medicare Buy-In for Ages 55-64: The NRLN advocates that adults age 55 to 64 be allowed to buy Medicare coverage at a cost that does not burden the Medicare system. This means no subsidies or free rides, just lower premiums that are paid to insurance companies for the same benefits.

Inclusion of Catastrophic Coverage in Medicare: The NRLN advocates that Congress should extend protection against catastrophic medical costs to the Medicare population by setting a reasonable maximum limit on out-of-pocket costs. This is something we all lose when company plans are dropped.

Reform of Bankruptcy Laws and PBGC Rules:

Retirees either know from first-hand experiences or have heard the horror stories about what corporate bankruptcies have inflicted on retirees. The NRLN's Washington, DC team is using the whitepapers written by the NRLN's task force to present to members of Congress the need to reform corporate bankruptcy laws and PBGC rules for fairer treatment of retirees. The NRLN believes that retiree pensions and benefits should be on a list of obligations that corporations can't shed in bankruptcy. The NRLN advocates that the PBGC must be regulated to ensure equitable calculations of benefit payments earned by retirees.

Protect Retirees in Mergers & Acquisitions:

If your company has not been involved in a merger or acquisition, who is to say that someday it will not be the target of a merger or acquisition by a foreign company? One NRLN association is now foreign owned and there are three other NRLN associations that believe a foreign takeover of their companies is possible. The NRLN advocates law that clarifies what a parent foreign owner's pension plan obligations are to abide by the Employee Retirement Income Security Act (ERISA) should its U.S. subsidiary be spun off or dissolved. Clarification must include situations where foreign corporations that own U.S. subsidiaries are also acquired by a third party, foreign-owned corporation.

Reduce the Cost of Prescription Drugs:

The NRLN's efforts to reduce the cost of prescription drugs took a step forward on Feb. 18th when the NRLN's Washington, DC team went to the White House to discuss with Obama Administration health care reform staff members our proposals for reducing the cost of prescription drugs. The NRLN advocates the reduction of prescription drug costs for Americans through passage of legislation that: (1) Enables re-importation and importation of safe prescription drugs approved by the FDA; (2) Enables Medicare to develop formularies and take competitive bids for prescription drugs; (3) Staffs and funds the FDA to reduce the generic drug approval backlog; (4) Prevents drug companies from colluding to control pricing or subvert free market practices.

Grassroots Network Vital To NRLN's Advocacy:

Advancing the NRLN 2010 Legislative Agenda and priorities (see agenda at www.nrln.org) are highly dependent on our Grassroots Network members' support of them through letters, phone calls and face-to-face meetings with their members of Congress. While our Grassroots Network membership grew by 38 percent in 2009, we need to continue to add members to make our voice on Capitol Hill even stronger. Please send the NRLN your personal email lists of retired co-workers and your retired friends. Send their names and email addresses and, if possible, their city, state and 9-digit zip code plus, if possible, the name of the company retired from to nrlnmessage@msn.com. (The city, state and 9-digit zip code allows us to identify their Congressional District.) If you prefer not to send the NRLN your email list, please consider forwarding this email to your email list. Add a personal note to ask them to sign-up as a Grassroots Network member at <http://capwiz.com/abtr/mlm/signup/> or send their name, email address, city, state and 9-digit zip code and the name of the company from which he or she retired to nrlnmessage@msn.com.

As you know from being listed in the NRLN Grassroots Network database, your contact information is secure. The NRLN does not sell its email lists and does not use its emails for any other purpose than to promote the interests of retirees. Grassroots Network members only receive Action Alerts and other emails that we think are important to retirees and a person can opt out at any time.

I hope you will also continue to support the NRLN through your communications with members of Congress and through an annual Individual Membership financial contribution when you receive an NRLN appeal letter. Together, we are making a positive difference in the lives of retirees.

Bill Kadereit
President, National Retiree Legislative Network